



More older women are returning to work, rebuilding savings and a professional identity

Paul Davidson USA Today, Published 5:00 a.m. ET March 25, 2019

Erica Hernandez was a stay-at-home mom through two recessions that depleted her family's retirement savings, forcing them into a frugal lifestyle that left little money for frills like dining out.

So in 2017, with her two children gearing up for college, she returned to the workforce after a 19-year hiatus -- not as the public relations executive she had once been, but as an administrative assistant for a teachers union.

"My husband had shouldered the burden all these years," says Hernandez, 54, who lives in South San Francisco, California. "It was time for me to share the load."

The best job market in half a century has been a boon for older women going back to work, typically after raising kids for nearly 20 years, and for those staying in the workforce at more advanced ages. It's a demographic that has gotten less attention than other groups reaping the benefits of worker shortages that are forcing employers to hire Americans on the margins, such as the disabled and less educated.

The 3.8 percent unemployment rate is near a 50-year low and there were a near-record 7.6 million job openings in January, Labor Department figures show.

Like Hernandez, many older women are helping their families catch up after the Great Recession of 2007-09 set back their finances, especially with baby boomers facing eye-popping college tuition costs and longer lives that demand bigger nest eggs. Others are nudged back to work by divorce, which is splitting up a record number of older couples. Some are seeking self-fulfillment after years devoted to the needs of others.

A new study says working women earn 49 cents for every dollar earned by a man, a claim that challenges most research that says women earn 80% of what men are paid on average across all industries.

"Most want to find a sense of purpose in their life," says Hilary Berger, founder of Work Like a Mother, a career counseling service that helps stay-at-home moms transition back to work. "If women have been out of work and not attending to their own growth, this is their time to do that."

Yet experts say many women over 50 face formidable obstacles as they re-enter the labor force, including rusty skills, a lack of confidence, employer discrimination and new technologies and social media.

The number of working women over 55 has risen 4.2 percent over the past year to 17.4 million, compared with a 1.8 percent increase in employment for all women and a 3.3 percent rise for men over 55, according to the Labor Department.

The share of 55-plus women who are working also has increased more sharply than the other groups the past year, from 33.5 percent to an all-time high of 34.3 percent.

The trend can partly be explained by demographics, says economist Sophia Koropecyk of Moody's Analytics. There are lots of baby boomers, about 74 million, and the youngest turn 55 this year. Thirty-one percent of female boomers have bachelors degrees, compared with 24 percent of women of older generations, allowing boomers to work longer in less physically demanding jobs, Koropecyk says.

Longer lifespans, recession fallout

Yet there are other factors. Nowadays, "Women have longer life expectancies" and need to finance longer retirements, says Jen Schramm, strategic policy adviser for the AARP Public Policy Institute. Pensions that offer a guaranteed income have largely vanished from the private sector. And tuition and fees at public four-year colleges average \$10,230 in the current school year while costs at private colleges average \$35,830, according to the College Board.

"We're trying to stockpile to get through college," says Susan Swanson, 54, of Vernon Hills, Ill., noting her daughter recently started college and son will begin in about 18 months. Last September, Swanson, a former management consultant, started working about 30 hours a week as an accountant for Eco Promotional Products, an environmentally friendly consumer products company.

She also went back to work because she "was bored," she says, adding the healthy job market "made it easier for me." Initially, though, she worried about the big gap on her resume, wondering, "Am I too old? Am I going to find something?"

Meanwhile, the Great Recession put millions of Americans out of work, reducing their incomes and savings, while depleting many employees' 401(k) investments. Many fled stocks and so missed out on the decade-old bull market.

Nearly half of people 65 and over working or looking for a job did so for financial reasons, according to a recent AARP survey.

Hernandez says her husband, Andrew, saw his 401(k) investments hammered by the 2000 dotcom crash. Their nest egg shriveled further during the Great Recession and Andrew stopped contributing to his 401(k). To meet expenses while raising kids on Andrew's salary as an instrument technician, the couple stopped going out to eat and borrowed a friend's RV for low-budget camping vacations. Andrew drives a 1995 Honda Civic; Erica a 2003 Toyota Prius.

They had little retirement savings, two kids poised to enter college and plans to remodel their kitchen. "None of those things were going to happen unless I went back to work," Hernandez says.

In the favorable labor market, it took her just a couple of months to find a job as regional administrative assistant for the California Teachers Association. "I wasn't looking to (return to public relations and) climb the corporate ladder," she says. Yet reorienting herself to the daily grind "was really hard."

"It took some getting used to," she says. Previously, "I'd schedule two-hour lunches and stay in my bathrobe until noon."

She says she loves her job, noting it draws on skills, such as writing and arranging meetings and conferences, that she cultivated in public relations. But, she adds, “It was a huge culture shock.” She learned, for example, that copy machines now scan documents that are sent via email.

The couple’s finances are more stable and they recently took a trip to Mexico. “I can buy clothes! I can buy a pair of shoes!” Hernandez says.

Divorce spurs older women workers

Other women are forced to go back to work after divorce since alimony is typically not enough to cover expenses, says Berger of Work Like a Mother. In 2015, 10 of every 1,000 married people age 50 and older divorced, a rate that has doubled since 1990, according to a Pew Research analysis of government data. Berger says about half of the mothers she helps ease back into the workforce are recently divorced.

During the recession, many couples put off divorce because of their financial struggles, **says Lili Vasileff, president of Divorce and Money Matters, which provides financial planning.** Now, she says, the healthy economy and job market may be prodding some older women to end their marriages since they can more easily find jobs to supplement their income.

Susan Patnaik, 51, of Wilton, Connecticut, says her divorce last year was part of the reason she has decided to go back to work, but she also wanted to be “professionally engaged” again after spending nearly two decades raising a son, 16, and daughter, 18. Patnaik is a few years younger than the boomers highlighted by the Labor data, but the same trends are driving her back to the workforce.

Noting her expenses, such as renting a house, have increased, she says, “There’s less to go around. You’re splitting everything.” For now, Patnaik, a former financial analyst who plans to get a job as a public relations writer after her son graduates high school next year, has traded trips to Europe and California for more modest visits to her parents in Pensacola, Florida.

Many older women returning to the workforce throttle back from their former careers, experts say. Finance professionals and accountants become personal advisers and bookkeepers. And women of various backgrounds try their hand as real estate brokers.

Several industries employing a disproportionate share of women have seen strong job gains, Koropecy says. Women comprised 77 percent of the 3.5 million healthcare jobs added since 2010, Labor data shows. They’ve also made up 71 percent of the 478,000 local government jobs and virtually all the 204,000 K-12 teaching-related jobs added the past five years.

Older working women face hurdles

Yet women returning to the workforce face challenges. “To have lost all their professional confidence and access to their old skills and to take a risk and learn new skills, they become very much shut down,” Berger says.

“Being at home with a child is very isolating and you don’t get validation and you can start doubting yourself,” Patnaik says. “I didn’t have any kind of professional activity I could talk about...It’s not like you get a resume for motherhood.”

Women over 50 face age and gender discrimination, says Kathy Caprino, head of Ellia Communications, a women's career coaching service. "It's an uphill battle," she says.

A 2015 study by the National Bureau of Economic Research found "robust evidence of age discrimination against older women," especially those nearing retirement age, possibly because "physical appearance matters more for women."

Lori Cagney, 51, of Manchester, New Hampshire, says she repeatedly has lost out on marketing jobs the past two years because of discrimination. Employers, she says, typically spend most of an interview asking about her college experience to determine her age and then cut it off after about 20 minutes.

"It's devastating," says Cagney, who has three children and had to go on welfare and food stamps to supplement her income from the low-wage job she got after her divorce. "How about (asking) -- what are you looking for in a career?"

Many older women do an end-run around the scramble for a job, using the equity in their homes as collateral to start their own businesses, says Mariel Miller, head of the Franchise Consulting Company. The share of franchises owned by women increased from 20.5 percent in 2007 to 30.6 percent in 2012, according to the International Franchise Association.

Yet Berger says she helps women who want to land a more traditional job "reintegrate the intellectual and professional part of you back into your life."

Patnaik, whom Berger has counseled, says, "We had to focus back on ourselves and reclaim our value."